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## The Observatory for the Security of Payment Means completes its migration plan for online electronic payment authentication systems

The security provisions of the Second European Payment Services Directive (PSD2) come into application on 14 September this year. They are designed to guarantee a high level of security for online payments and limit the risk of fraud by ensuring the widespread use of strong customer authentication for electronic payments.

In line with the position of the European Banking Authority (EBA) as expressed in its Opinion published on 21 June 2019, the OSMP has put together an ambitious, two-part national migration plan:

- The first part, which concerns consumers and was validated on 9 July this year,<sup>1</sup> consists in the gradual replacement of single-use SMS passcodes with more advanced payment protection solutions, for example the entry of a PIN code or biometric print via a mobile banking app. By December 2020, the vast majority of consumers will benefit from these new reinforced authentication solutions, as defined in PSD2.
- The second part of the plan, which relates to professionals involved in the payment chain, including online retailers, consists in the upgrading of the “3D-Secure” technical infrastructure used to manage customer authentications for online card payments. By March 2021, all professionals will be connected to this new infrastructure and will comply with the operational rules set out in PSD2.

The OSMP will monitor the implementation of the migration plan on a monthly basis. For this purpose, it has set up a dedicated steering group which is charged with overseeing the progress of the migration and ensuring that fraud rates are kept under control. A summary document setting out the details and different stages of the migration can be found on the OSMP website.<sup>2</sup>

The Observatory for the Security of Payment Means (OSMP) is a forum whose role it is to foster dialogue and information sharing between all parties in France concerned by the smooth functioning and security of cashless payment systems. It is chaired by the Governor of the Banque de France and comprises two members of parliament, representatives of the government as well as of card issuers and users (merchants, businesses and consumers), and several persons chosen for their expertise.

<sup>1</sup> [https://www.banque-france.fr/sites/default/files/medias/documents/819172\\_osmp2018\\_web\\_v2.pdf](https://www.banque-france.fr/sites/default/files/medias/documents/819172_osmp2018_web_v2.pdf)

<sup>2</sup> <https://www.banque-france.fr/en/migration-plan-french-community-gradual-implementation-strong-customer-authentication-online-card>

Created by the Law of 9 December 2016 on transparency, the fight against corruption and the modernisation of the economy, the OSMP replaced the Observatory for Payment Card Security which was set up in 2001. It is tasked with monitoring the security measures adopted by payment industry participants and their customers, establishing aggregate fraud statistics and maintaining a technology watch in the area of payment instruments.

[www.observatoire-paiements.fr](http://www.observatoire-paiements.fr)

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